

EFT INFORMATION FACT LIST.

QUESTIONS AND ANSWERS THAT ARE ASKED MOST FREQUENTLY.

THE FOLLOWING CAN BE FOUND ON THE www.gatax.org WEBSITE UNDER ELECTRONIC FUNDS TRANSFER REGISTRATION.

The GA EFT is a simple process to send your payments to the Revenue Department electronically instead of writing and mailing checks. It is a safe, efficient means of making payments, using techniques that banks and businesses have used for years. Payments move almost instantaneously from the Taxpayer's account to the Revenue Department's account, ensuring that your payment is received by the due date.

Most businesses or individuals required to file by EFT are probably already using some form of electronic transfer to conduct financial transactions.

The following information is designed to help answer questions you might have about GA EFT, and assist you in filing through GA EFT. The Department of Revenue's goal is to make this a simple process that will benefit both you and the State of Georgia.

INFORMATION ABOUT GA EFT

Funds Transfer Date

Your funds will always be transferred on the first banking day after your call. You must **complete** your call **before 3:00 p. m. Eastern Time**, one business day before your tax due date. You may call earlier if it is convenient, but remember that **funds will be transferred the first banking day after you call.**

How EFT Works

GA EFT offers one option of payment – **ACH DEBIT(PREFERRED METHOD)**
Using the ACH DEBIT method is as easy as making a telephone call or entering information in your computer and mailing your completed tax form.

What is an ACH transaction?

ACH is an abbreviation for Automated Clearing House. The ACH is a central distribution and settlement point, usually the Federal Reserve Bank, for the electronic clearing of debits and credits between financial institutions. Every day million of transactions occur all over the nations, with funds being deleted from, or added to, the balances of participating financial institution, which in turn reflect those transactions in their internal accounting for individual bank customers. Because it is the least expensive and most efficient method of moving money, it is becoming more widely used than any other transfer system.

What do I do when using the ACH Debit?

All you have to do is contact the EFT Service Center and **complete** your call **before 3:00 p. m. Eastern Time** the business day before your payment is due to relay brief information about your payment and the amount you are paying. When the call is completed and the information is verified, the amount you owe (and which you have authorized to be paid via your telephone call) is automatically debited from your bank account the first banking day after your call and transferred electronically into the Revenue Department's bank account. A verification code will be provided at the end of the call. **(Your call is complete only after you receive the 4-digit verification code.)**

The newest addition to making payments is via the internet. Once you have registered, you will be sent instructions on how to log onto the internet and make your payment. This is the preferred method as you can see you payment screen and make any necessary corrections.

Who Pays?

An individual or business owing more than \$10,000 in connection with any return may be required to make payment through GA EFT. Tax types include Sales Tax, Withholding Tax, Motor Fuel Distributors Tax, Corporate Estimated Income Tax, and Individual Estimates Income Tax.

Telephone Reporting

If you wish to report by telephone, please indicate “Touch-Tone” or “Operator Assisted” on your Taxpayer Registration/Authorization Form (attached). Due to the number of errors associated with reporting through a live operator, GA EFT encourages the use of “Touch-Tone” when reporting by telephone

Costs

ACH Debit – no cost to the taxpayer.

How do I make a payment if the due date falls on a weekend or holiday?

If the payment due date falls on a weekend or holiday, the payment will be due on the next business day. Since your call is made on the business day before the due date, you will still make your call prior to the holiday or weekend.

Example: Your Withholding Tax payment is due on Monday, January 15, and this is a bank holiday. Your call must be made on Friday, January 12, which is the last business day prior to the due date. Funds would not be debited from your account until Tuesday, January 16. When your regular payment date falls on a Monday, even if it is not a holiday, your call must be **completed before 3:00 p. m.** on the previous Friday, which is the last business day before the due date.

Note: The Department of Revenue will use banking holidays and not state holidays. Therefore, if the State of Georgia has a holiday which falls on a tax due date, your tax is still due on the due date. If that date is also a bank holiday, funds would be debited from your account as indicated earlier. (Banking Holidays and month in which they fall: **New Year’s & M. L. King-January; President’s Day-February; Memorial Day-May; Independence Day-July; Labor Day-September; Columbus Day-October; Veteran’s Day & Thanksgiving day-November; Christmas-December.**

Deadlines

You must contact the Service Center and complete your call **before 3:00 p. m. Eastern Time** the business day before your payment due date. This phase of GA EFT is for Withholding Tax accounts. All monthly Withholding Tax payments and returns are due on the 15th of the month.

What about late payments?

Penalties and interest will be assessed if circumstances within your control caused a late payment or late filing of a tax return. In case of a delayed payment you are not responsible, you will be asked to furnish the verification number as proof of your attempt to transfer funds. If it is determined that you did attempt to transfer funds on a timely basis, your payment record will be corrected upon receipt of funds.

Can I volunteer to pay through EFT?

Yes, We do allow voluntary payment through EFT.

What do I do if I need to change my bank information?

You must complete an Information Change Form. You can obtain this form via the Internet at **www.gatax.org** or by calling 404-417-4490 or 1-800-602-8477.

Who do I call with EFT questions?

The Registration unit at 404-417-4490 or 1-800-602-8477.

The GA EFT Section with Department of Revenue at 404-417-2220 or 1-800-659-1855

Will the banking information I provide to the Department of Revenue be confidential and secure?

The use of the EFT payment system provides a safe, proven, and efficient method of moving money from one account into another. All information provided to GA EFT is strictly confidential. With the ACH Debit, you control the amount of the payment and authorize each payment transaction through contact with the GA EFT Service Center. In addition, the GA EFT Service Center will provide a verification number for each transaction, which provides an audit trail to verify the accuracy of the information.

How do I contact the Department of Revenue to transfer tax payment?

You may contact GA EFT Service center by using one of three methods:

1. A touch-tone telephone using the dial pad to enter your payment data.
2. A telephone call which links you directly with a live operator to whom you provide payment information.
3. Via the internet. (preferred method)

Once information has been relayed, you will be given a unique verification code. No further action is required by you, except to mail your completed form/return. The Service Center communicated appropriate information to your bank through the Automated Clearing House. Your account is then debited.

Note: If you are using the Touch-Tone procedures to make your transmittal and you have a problem making the transfer, you should use the back-up voice instructions found on page 2 of your Touch-Tone instructions. (Touch-Tone instructions will be mailed at a later date.)

Eligible Taxes

If you paid more than amount listed below in connection with any return within any of these categories of taxes, you **may** be required to file by EFT.

- | | |
|--|-----------------|
| ▪ Sales Tax | \$10,000 |
| ▪ Withholding Tax
(see page 9 regarding Housebill 43) | \$25.00 |
| ▪ Motor Fuel Distributors Tax | \$10,000 |
| ▪ Corporate Estimated Income Tax | \$5,000 |

What if I get a busy signal?

If you get busy signal when you call the Service Center, please hang up and try again. You should be able to get a connection shortly.

Note: A large number of taxpayers make their transfer on the day prior to due date. Don't wait until the last minute to make your call. If you should receive a busy signal and can't make a connection and complete your call before 3:00 p. m., you run risk of being assessed penalty and/or interest for paying late.

What should I do if a "0" amount is due?

No action is required if there is no tax due to the state.

Do I still submit my tax document?

YES. Your tax return is still required on the regular due date for the particular tax being paid. The completed tax return is used to verify payment and update agency records. Write "EFT" at the top of return. **Exceptions: Corporate Estimated Tax payment. NOTE:** A yearly Corporate Income Tax return must still be filed. **Failure to file a return will incur a penalty.**

Can I continue to make payments as usual if I prefer not to use GA EFT?

No. If you fall within the required guidelines as stated in the new Georgia law (OCGA 48-2-32), you must pay your tax liability through EFT. **The law also provides for a 10% penalty of the amount due if timely payment is not transferred by means of EFT after notification to set-up your account.**

What if my tax liability decreases and I fall below the threshold set for EFT filers?

Once a taxpayer is registered, he will not automatically be taken off GA EFT. If tax levels change, or unique conditions arise, the taxpayer must provide a written explanation to the GA EFT Section in order to be removed.

Who do I contact if unable to make payment by due date?

You would call the GA EFT Section to make an emergency payment. Call 404-417-2220 or 1-800-659-1855.

Note: Definition of an **Emergency**.

Emergency is defined as something that precludes the taxpayer from making timely payment through no fault of the taxpayer. Lack of funds in the taxpayer's account to cover the payment does not constitute an emergency. If an emergency is not determined under definition, and taxpayer does not make timely payment, the taxpayer may be subject to penalty and/or interest for paying and/or filing late.

How do I make changes to bank information or other information on the Taxpayer Registration/Authorization Form?

If you change banks, account number, or location you must notify the GA EFT Section in writing 30 days prior to the change. An Information Change Form will be mailed or faxed to the taxpayer. The taxpayer completes this form and mails/faxes it back to the GA Registration section.

Mail to:

Georgia Department of Revenue
EFT Section
1800 Century Center Blvd Ste 17235
Atlanta, GA 30345

Or Fax (404) 417-4309 or (404) 417-4375

If you have further questions, visit www.gatax.org or call the GA EFT Section at:

(404) 417-4490 or 1-800-602-8477 Monday through Friday 8:15 a. m. to 4:30 p. m.

HOW TO REGISTER

Attached is the Taxpayer Registration/Authorization Form. Please complete this form, which includes authorization signatures from the taxpayer, and/fax to the Georgia Department of Revenue, as indicated on the form. Upon receipt of completed Form, you will be established for EFT payments beginning with your next scheduled estimated payment.

Approximately 7 to 14 days after GA EFT receives your Taxpayer Registration/Authorization Form, you will receive detailed instructions for making these EFT payments. Your Touch-tone/Operator instructions will be sent to the address listed on item #2 of the Taxpayer Registration/Authorization Form.



INSTRUCTIONS FOR COMPLETING THE TAXPAYER REGISTRATION/AUTHORIZATION FORM (EFT-001)

1. Taxpayer Name: The name of the individual, business or government entity making payment.
2. Address: The address to which all correspondence regarding EFT should be mailed.
3. State Taxpayer ID#: The unique number identifying taxpayers to a State agency tax ID number, the preprinted number on business returns.
4. Type of Tax Payment: The tax type being paid such as sales tax, with holding, motor fuel distributor, corporate estimated tax, individual estimated income tax, etc.
5. 1st Contact Person: The name, title, phone/fax number of the primary person who should be contacted in the event of a problem/error with an electronic funds transfer and to whom all correspondence regarding EFT payment should be mailed.
6. 2nd Contact Person: Any additional contact person information (name, title, phone/ fax number.)
7. Type of EFT (ACH DEBIT): This is the pre-authorized withdrawal of funds from the taxpayer's designated bank account.

Bank Name, Mailing Address, and City/State/Zip: The name and city/state of the bank from which funds should be withdrawn.
Transit/Routing Number: The 9-digit transit/routing number of the bank from which funds should be withdrawn
Bank Account Number: The account number from which funds should be written. (day/night phone number and fax number).
Checking or Savings Account (check one).
8. Bank Contact Person: Bank contact person for ACH Debit Accounts and his/her Title and phone number.
9. Method of Transmittal: (check one option for debit method of EFT) "Touch Tone" refers to using a touch tone telephone to communicate payment information.
10. Signature Title of person authorizing the transfer of monies through the ACH System and date. (The person with the authority to sign checks on your account should be the one/ones signing the Registration/Authorization form).

New Changes concerning withholding tax and new house bill.

New Withholding Tax Changes Pursuant to Georgia House Bill 43

The 2003 Georgia Legislature passed House Bill 43 ("HB 43") on March 25, 2003. This bill contains several provisions amending Georgia's withholding tax remittance procedures as set forth in O.C.G.A. §§ 48-2-32 and 48-7-103. Outlined below are the major withholding tax provisions of HB 43 which take effect for all calendar quarters beginning on or after April 1, 2004.

HB 43 establishes withholding tax remittance schedules similar but not identical to those of the Internal Revenue Service. O.C.G.A. §§ 48-2-32 and 48-7-103 were amended to create a new withholding tax remittance schedule entitled "semi-weekly" and a new electronic funds transfer ("EFT") requirement for certain taxpayers. (The Department of Revenue continues to encourage all taxpayers that are not required to remit taxes via EFT to establish an EFT account and remit tax liabilities electronically.)

All employers will be classified on an annual basis as semi-weekly, monthly, quarterly, or annual payers for Georgia withholding tax purposes. The new semi-weekly remittance schedule is fashioned after federal employment tax laws as set forth in the Internal Revenue Code. The due date and method of payment will depend upon the employer's classification for Georgia withholding tax purposes. House Bill 43 also established a "one-day rule" for withheld taxes over \$100,000.

SEMI-WEEKLY PAYERS

O.C.G.A. § 48-2-32 was amended by House Bill 43 and created a new withholding schedule entitled "semi-weekly" that certain employers must follow. Employers who withheld more than \$50,000 in the aggregate for the "lookback period" are classified as semi-weekly payers and must remit withholding taxes via EFT. Please note there is a "One-Day Rule" described below for any employer withholding more than \$100,000 for the pay period which takes priority over all other remittance requirements.

For withholding tax purposes, the "lookback period" is defined as the 12-month period that ended the previous June 30th. The lookback period for calendar year 2004 is the period from July 1, 2002 through June 30, 2003. Therefore, any employer who was required to withhold more than \$50,000 from July 1, 2002 through June 30, 2003 must remit their withholding taxes via EFT beginning April 1, 2004 using the semi-weekly schedule outlined below:

Semi-weekly payers who have a payday occurring on Wednesday, Thursday, or Friday are required to remit the taxes via EFT on or before the following Wednesday. If the Wednesday is a federal reserve bank holiday then the taxes must be remitted on or before the next banking day.

Semi-weekly payers who have a payday occurring on Saturday, Sunday, Monday, or Tuesday are required to remit the taxes via EFT on or before the following Friday. If the Friday is a federal reserve bank holiday then the taxes must be remitted on or before the next banking day.

For withholding tax purposes, "payday" is defined as the date reflected on the payroll checks or the first date the employee is able to tender the check for cash or other consideration, whichever is earlier. Employers who have more than one payday may be required to remit withholding taxes on more than one day during the calendar week based on the relevant paydays.

The due date of the withholding tax is dependent upon the day of the week the employer issues payroll checks. Therefore, the day of the week an employer is required to remit withholding taxes (Wednesday or Friday) may change from payday to payday.

Method of Payment for Semi-Weekly Payers

HB 43 amended O.C.G.A. § 48-2-32 to require employers meeting the definition of a semi-weekly payer to remit withheld taxes to the Department of Revenue via EFT. There is a 10% penalty that will be applied to the amount of tax due for any timely made payment which is not submitted via EFT. The EFT filing requirement will be strictly enforced. Therefore, it is very important for all employers meeting the \$50,000 rule referenced above to register as soon as possible for electronic funds transfer with the State of Georgia if they are not currently registered. To obtain an EFT packet and other important information go to:

www2.state.ga.us/departments/dor/eft/index.shtml

Filing Requirements for Semi-Weekly Payers

Due to the withholding tax changes imposed by HB 43, semi-weekly payers will be required to file a quarterly reconciliation report entitled "Semi-Weekly Form G-7/Schedule B" and must include relevant information regarding the payday dates during the quarter. The quarterly reconciliation report is due by the last day of the month after the end of the quarter. For example, the Semi-Weekly Form G-7/Schedule B is due by July 31st for the second calendar quarter.